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INTERNAL IMPROVEMENTS IN INDIANA.

NO. III—THE WABASH AND ERIE CANAL.

THE Wabash and Erie Canal, while identified with the State's internal improvement scheme of 1836, has a history that stands apart from that of the system. The actual beginning of this great waterway antedated the internal improvement law by four years, and it had its origin in Federal aid. The first conception of such a work dates so far back that it is a matter of speculation, for the benefits to be obtained were so obvious that, as one writer says, they must have been suggested to every traveler over the pass between the Wabash and Maumee rivers. The same natural advantages that brought the old French fur trade over this route pointed to the possibility of here connecting the waters of the lakes and the Mississippi. The Ordinance of 1787, Wayne's Indian treaty of 1795, and President Washington recognized the military and commercial value of the portage where Fort Wayne afterward grew up. A little later others began to entertain ideas of a canal there, and in 1818 Captain James Riley,* a government surveyor, who had been sent to make preliminary surveys of the region, developed and pushed this idea. A canal not exceeding six miles in length, over the old portage between the St. Mary's and Little rivers would, he thought, be an important step toward an uninterrupted navigation between the two water systems. His opinion as that of a practical engineer was of sufficient weight to command the attention of Congress, which went so far as to establish the feasibility of such a work by preliminary surveys. As the country was thrown open and the population began to crowd into the rich valley of the upper Wabash, the commercial demands for an outlet to the east became more imperative and there were repeated and growing demands for improve-

*An item in the *Western Censor and Emigrant's Guide* of August 31, 1824, makes this Captain Riley the mariner, once famous for his travels and adventures.

ment of the Wabash and its connection with the Maumee. Indiana itself was too poor to attempt such undertaking, and Congress was besieged with memorials and bills for grants of greater or less magnitude. The fight for such grants was continuous and increased in the scope of its demands. In 1823 Jonathan Jennings reported a bill "to authorize the State of Indiana to open a canal through the public lands for the purpose of connecting the Wabash and the Miami of Lake Erie." All this called for was a right of way for the canal, but it was generally regarded by the representatives from Indiana as the entering wedge finally to secure a land grant from Congress. Before final action on this bill, attempts were made to enlarge its scope, but it was finally passed in almost its original form. This left on the State the burden of constructing the canal, but, with no fund for the purpose other than a wholly inadequate one derived from what was known as the three per cent. fund,* it was not much nearer to the accomplishment.

The concession gained simply lay fallow for two years while the general idea of Federal aid of internal improvements was making its way; then another bill was introduced asking for a land grant to aid the proposed canal in Indiana. Meanwhile the idea of the magnitude of the work had grown. In the debates upon the subject there seems to have been no fixed opinion as to the length the canal was to be. One had it the original portage connection of six or seven miles, another extended the canal to the Little Wabash, twenty-five miles below; others to the mouth of the Tippecanoe river, one hundred miles down the Wabash. Mr. Hendricks, the leading supporter of the bill, and Senator from Indiana, probably expressing the sentiment, of the canal's friends, was of the opinion that the canal should extend fifty miles, to the mouth of the Mississinaway river.† In support of the bill the commercial benefits to the western country generally were dwelt upon, and the most was made of the value to the United States of a military highway into the northwestern possessions, the need of which had been demonstrated in the war of 1812. The bill in a modified form

*This was three per cent. of the net proceeds from the public lands, allowed to the State for internal improvements.

†"The Wabash Trade Route in the Development of the Old Northwest," by Elbert Jay Benton.

was passed March 2, 1827, and granted to the State of Indiana every alternate section of land, equal to five miles in width for six miles on both sides of the proposed line and throughout its whole length, for the purpose of constructing a canal from the head of the navigation on the Wabash at the mouth of the Tippecanoe river to the foot of the Maumee rapids. This gift amounted to 3200 acres for every one of the 213 miles of the proposed work. Indiana, accepting the conditions of the grant, took steps toward the work, but considerable time was spent in discussing the thing to be done (some, even at this time, leaning to the idea of a railroad), and in organizing; and not until February 22, 1832, was the first ground broken. This occurred at Ft. Wayne and was made a notable public occasion.* The first contracts were let in the following June; the first division of the work, of thirty-two miles, was completed in 1856, and on the fourth of July of that year the first canal boat, the "Indiana," passed through to Huntington. Progressing westward as funds permitted, one after another of the Wabash towns borrowed life and growth from its vitalizing touch. Wabash and Peru were reached in 1837, Logansport in 1838, Tippecanoe River in 1841 and Lafayette in 1843.

Meanwhile an eastern division of the canal, from the State line to the Maumee Bay, had been completed by Ohio, and with this completion by the two States there was opened up the largest continuous line of artificial water communication in the world.

With the adoption of an internal improvement system by the

*"The birthday of Washington had been selected as an auspicious time for the beginning, and by order of the Board of Canal Commissioners, J. Vigus, Esq., was authorized to procure the necessary tools and assistance and repair to the most convenient point on the St. Joseph feeder-line at two o'clock on that day for the purpose named. A public meeting was called at the Masonic hall and was attended by all prominent citizens, not only of Ft. Wayne, but of the Wabash and Maumee valleys. Henry Rudisille was chairman and David H. Cole-rick secretary. A procession was formed and proceeded across the St. Mary's river to the point selected. A circle was formed and the commissioners and orator took the stand. Hon. Charles W. Ewing then delivered an appropriate address and was followed by Commissioner Vigus. The latter, after adverting to the difficulties and embarrassments which had beset the undertaking and referring to the importance of the work and the advantages which would be realized, concluded by saying: 'I am now about to commence the Wabash and Erie canal, in the name and by the authority of the State of Indiana.' He then struck a spade into the ground and the assembled gentlemen cheered. Judge Hanna and Captain Murray, two of the able advocates of the canal, next approached and commenced an indiscriminate digging, and the procession then marched back to town"—Valley of the Upper Maumee River, v. II, p. 20.

State, the Wabash and Erie enterprise was merged with the general scheme, of which it was the main artery, and after the abandonment of the other works it was still retained by the State, it then being a source of revenue and having the land grants behind it, though still an unprofitable holding. In 1846, at the instance of the State's creditors, through Charles Butler, their attorney, it, with its tolls and unsold lands, was transferred to them in part payment of the internal improvement debt. A part of the stipulation was that out of the sales of these lands the new holders should complete the canal to the Ohio river. The property was put into the hands of three trustees, two appointed by the creditors and one by the State, and its subsequent history until the final closing up of its affairs in 1876 of itself makes a long and complicated story. The creditors fulfilled their part of the contract to extend the canal, reaching Evansville in 1853,* but the lower or southern division was the least successful part of the work. In fact, the innovation that within a few years was to make canals a thing of the past, the railroads, sounded the death-knell of the old Wabash and Erie soon after it passed from the hands of the State. In the early fifties a railroad was constructed from Toledo, O., westward, along the side of the canal, while others from New Albany northward through Crawfordsville and Lafayette, opened up a formidable competition along the whole route. While Benton gives the "heyday of the canal" as the period from 1847 to 1856, yet the high tide of tolls and rents (\$193,400.18) was in 1852, and "from that time the income steadily decreased." Traffic was deflected to the newer, swifter and more reliable method of transportation, confidence in the future of the canal waned, money ceased to be invested in boat-building and investments in canal-property were withdrawn. By 1854 "bulky goods, like corn, iron and lumber—articles which paid light tolls—constituted its main traffic,"† while the better-paying exports all went to the railroads; and to add to this curtailment, the imports caught by the canal dwindled away almost wholly; boats that carried the bulky products eastward were forced to return empty, and the passenger carriage which had been a valuable

*The canal was then 459½ miles in length.

†Benton, p. 79.

part of the business, dropped off altogether. In spite of the reduction of tolls for the encouragement of shippers, the tonnage steadily declined till the competition with the railroads became hopeless. By various makeshifts, that had in them the flavor of desperation, traffic on the ditch continued to exist after a fashion, until in the seventies it was wholly abandoned, the court ordered the sale of the canal, the right of way and lands went to speculators and the old waterway, famous in our history, fell into ruin. To-day, over part of the old route, lie side by side the river, the dry and half-obliterated canal bed, a railroad and an electric line, representatives of four distinct epochs in commerce and transportation—the more and the less remote pasts, the present and a dawning future.

The Wabash Canal, while short-lived and a failure as measured by the sanguine hopes that promoted the enterprise, was in its brief day a most important and interesting factor in the development of the Wabash Valley. As it crawled westward successive towns along the route hailed its arrival with jubilant demonstrations and other towns sprang up in anticipation of its benefits. It brought into the valley a new life and energy, both commercial and social. "The abundant agricultural wealth of the Wabash country now found comparatively cheap and easy transportation directly to the East; the regions north and south for a distance of fifty to one hundred miles gravitated to this outlet, and from the Illinois country westward to Lafayette came flocking the great prairie schooners laden with their contributions to the world's marts.* Westward, in turn, came the capacious freight boats laden with merchandise of all kinds, and the packets with emigrants who, now having access to this land of promise, came in an uninterrupted stream, adding to the new currents of life. Towns along the river which heretofore could have only a broken and restricted intercourse with each other, were now regularly connected, and traveling was made possible to the multitude. And it was idyllic and picturesque traveling. People spent leisurely hours, sitting in pleasant

*Old settlers tell of long trains of wagons waiting by the hour at these rising commercial centers for their turns to unload the product of the farms, bound to the eastern markets. Four hundred wagons unloading in Lafayette during a single day of 1844 were counted by one of the pioneers. Another, speaking of the business at Wabash, says it was a common occurrence to see as many as four or five hundred teams in that place in a single day, unloading grain to the canal.—Benton p. 101.

company on the decks or in the cabin of the smoothly gliding packets. Passengers got acquainted and fraternized, played games and discoursed, and, when the boat was delayed, it was quite common for congenial groups to step off and stroll on ahead, gathering wild flowers as they went. The speed of the best packets was six or eight miles an hour and one writer gives us a picture of the swaggering driver in a slouch hat and top boots, lashing his team to a trot.* On approaching a town there was a great blowing of horns from the deck, and when dock was made everybody went ashore to mingle with the townsmen, to ask and to answer innumerable questions. When the boat was ready to go, a horn was blown again to warn the passengers aboard, and on they fared to the next stopping place.

Merchants went by packet to the eastern cities for their goods. Ft. Wayne, Huntington, Wabash, Peru, Logansport, Delphi, Pittsburg and Lafayette attained a substantial commercial importance. Elevators rose and factories multiplied. Mills secured power from the water stored to feed the canal, and cargoes of flour moved eastward continually.† The canal made possible the increase of the population by enabling the settlers to find markets for their surplus products, and obviously, by this rapid increase of a rural population, agricultural conditions were vitally affected. It has been asserted that there was no agriculture in the country before the construction of the canal. All evidence shows that it was, at least, conducted on a small scale. Where formerly production was limited to supplying home consumption, it now began to send its products to eastern States. Larger farms took the place of the small clearings. Lands that before were not considered worth cultivation were now cleared, drained and brought into use. The increased area included in a single farm and the ready sale at the enhanced prices of its products led to the introduction of improved machinery. * * * In 1844 there was shipped out of Toledo, coming from the Maumee and Wabash valleys, 5262 bushels of corn. Two years later this output increased a hundredfold, and in five years more it amounted to 2,775,149 bushels.‡ Other industries

*Valley of the Maumee, p. 17.

†Leroy Armstrong in *Lafayette Journal*, September 10, 1899. A very graphic and interesting article on the Wabash and Erie Canal.

‡Benton.

were promoted, and the annual report of the trustees for the year 1851 speaks of nine flouring-mills, eight saw-mills, three paper-mills, eight carding- and fulling-mills, two oil-mills and one iron establishment, as being furnished water-power from the canal, and in addition to these were many other mills, elevators, foundries and warehouses scattered all along the route not using canal water for power, but there, nevertheless, because of the canal. Industries dealing with raw material were also developed. The canal ran through a heavily forested tract and at once became the highway for handling firewood. Similarly the manufacture and shipping of lumber was begun and maintained for a long time on an enormous scale, while the quarrying of stone and the manufacture of lime became prominent sources of wealth. In conclusion, it was estimated by Chief Engineer Jesse L. Williams that thirty-eight counties in Indiana and nearly nine counties in Illinois, including an approximate area of 22,000 square miles, were directly affected by the canal. The same is affirmed of all the counties in northwestern Ohio.

In this connection, the stimulating effect of transportation service upon contiguous territory is pointed out by Mr. Benton, who cites Noble and Huntington counties as typical cases. Huntington was a canal county. Noble was not, but offered far better natural advantages. For the year 1840 to 1850 the rate of increase in Noble was 190 per cent., while in Huntington it was 397 per cent. And this, Mr. Benton adds, "is to be regarded as an extremely conservative case."

Another thing to be noticed is the effect of the canal on the equalization of prices. After its opening, farmers who had been selling wheat for forty-five cents per bushel and buying salt at nine dollars per barrel received for their wheat one dollar per bushel and got salt for less than four dollars a barrel. "Illustrations," our author says, "might readily be multiplied."

NOTE—For further information touching the history of the Wabash Canal and its commercial and social influences in the settlement of the northwest, the reader is referred to Mr. Benton's admirable thesis as preeminently the best treatment of the subject that has yet appeared.